

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7128

BILL NUMBER: HB 1126

NOTE PREPARED: Mar 3, 2003

BILL AMENDED: Mar 3, 2003

SUBJECT: Teacher Employment and Compensation.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides an optional arbitration procedure for state employee grievances. It specifies a grievance procedure for teachers who are employed by the state. The bill requires the state to provide a group health insurance program to retired state employees who were employed as teachers if the person was employed and participated in the employee's retirement fund for 15 years of which at least ten years were immediately preceding retirement.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (*Revised*) *Grievance Procedures:* The bill provides an optional arbitration procedure for state employee grievances. Currently the State Employee Appeals Commission must review a grievance before it is submitted to arbitration. The bill allows the employee to chose to appeal to the commission or arbitration and the action of the arbitrator or the commission is a final order subject to judicial review. The cost of arbitration currently is shared by the employers and employee and would also be shared under the bill. The change in the arbitration procedure could increase cost if more grievances went to the arbitration process instead of using the State Employees Appeals Commissions. The increase is unknown.

Background Information: There are about 494 teachers in these state institutions with total salaries of about \$30.2 M.

Group Health Insurance: The bill allows a state employee who taught in a state institution under the Department of Correction; the Division of Disability, Aging, and Rehabilitative Services; the Division of Mental Health; the Indiana School for the Blind; the Indiana School for the Deaf; the Indiana Soldiers' and

Sailors' Children's Home; or Silvercrest Children's Development Center who retired between age 55 and 65 with 10 years of service immediately prior to retirement or 15 years of total service to participate in the state health insurance program. Currently, an employee would need 15 years of service to participate in the health insurance plan. The number of people who would qualify is unknown, but the impact would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Personnel; Department of Correction, the Division of Disability, Aging, and Rehabilitative Services; the Division of Mental Health; the Indiana School for the Blind; the Indiana School for the Deaf; the Indiana Soldiers' and Sailors' Children's Home; and Silvercrest Children's Development Center.

Local Agencies Affected:

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